

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### QualteQ

#### New Jersey Manufacturing Extension Program

#### VCT/QualTeq Achieves Goals with Assistance from NJMEP

##### Client Profile:

VCT/QualTeq Division, a 195-employee company in South Plainfield, New Jersey, is a globally recognized secure/non-secure transaction card service company. A leader in card solutions, VCT/QualTeq has been serving the card production and application needs of blue-chip clients since the mid 1980s. The company's delivery of card solutions, products and services to market segments including financial, government, health care and retail generates \$20 million in annual sales. VCT/QualTeq is a division of Versatile Card Technology (VCT) of Downers Grove, Illinois.

##### Situation:

In 2000, QualTeq was experiencing problems with scheduling, capacity and inventory management. The company had to become better equipped in handling multiple scheduling changes and had to increase its capacity to handle surges in client demand. QualTeq contacted the New Jersey Manufacturing Extension Partnership (NJMEP), a NIST MEP network affiliate, for help.

##### Solution:

NJMEP Field Agent Lorna Runkle followed up an NJMEP broadcast fax about a Lean workshop with an introductory visit to QualTeq. Once QualTeq's interest was confirmed, Runkle supplied ongoing consultation to identify business issues and propose solutions through training and technical assistance. She also secured the services of third-party resources most qualified to meet QualTeq's needs. Throughout the project's duration, NJMEP provided QualTeq with access to funds and relevant information from both the private and public sectors.

The first project, undertaken in October 2000, was a one-day manufacturing process review, performed in conjunction with the Center for Manufacturing Systems. This review was followed by a software evaluation, conducted by Softselect Systems, LC and NJMEP, also in October 2000. For the next step, select QualTeq employees attended an Introduction to the Principles of Lean Manufacturing workshop, presented by NJMEP and Change Management Associates. Subsequently, QualTeq participated in a Value Stream Mapping project, also run by NJMEP and Change Management Associates; underwent an upgrade to ISO 9001:2000, led by NJMEP and Prime e-Solutions; attended a Total Productive Maintenance workshop, conducted by NJMEP and Change Management Associates; and completed a Vendor Qualification program, run by NJMEP and the Center for Manufacturing Systems. For each of the aforementioned projects, NJMEP, the appropriate third-party resource and QualTeq's Director of Operations worked together to determine which employees were best suited to participate. Top and middle management, supervisors and team leaders were chosen for the Lean training and ISO program, while a cross-functional team of eight to nine employees was involved in the Softselect, process review, and Vendor Qualification projects.

The Lean programs trained critical employees, who in turn brought their newly learned skills to the facility and implemented improvements. The ISO upgrade was the result of a collaborative effort with QualTeq's management representative, who helped to coordinate the ISO document write-up and

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subsequent training of the entire company. For the Vendor Qualification project, the third-party resource facilitated the discussion of which selection criteria to adopt when purchasing material. All projects were completed as contracted, and trained QualTeq employees succeeded in implementing changes to benefit the overall company. Merrill Martin, QualTeq's Executive Vice President and Chief Operating Officer, observed that employees demonstrated improved skill level and were proactive following the program.

QualTeq currently is working with NJMEP to obtain a New Jersey Department of Labor Customized Training Grant for numerous programs and objectives, including purchasing equipment for team leaders and technicians; comprehension training for the company's diverse workforce; further Lean training, including Introduction to Lean, Quick Changeover; Root Cause Analysis; and basic math training for new hires and manufacturing operations personnel.

### **Results:**

- \* Increased sales by \$1.2 million in 2002, with a double digit increase in 2003.
- \* Cost savings on material and labor.
- \* Retained jobs and added 26 new jobs.

### **Testimonial:**

"With the assistance of NJMEP services, VCT/QualTeq was able to achieve the goals of the company to make significant improvements in our processes and meet the requirements for ISO 9001:2000 certification. Our company has found that working with a professional organization, NJMEP, has been a benefit to the company's success. From this partnership, VCT/QualTeq enhanced its capabilities to effectively deal with the challenges for the future and advance our ability to meet or exceed our customers' requirements. Regarding potential future projects, we would definitely work again with NJMEP."

Merrill Martin, Executive Vice President/COO